

Program A: Oil and Gas Regulatory

Program Authorization: La. Const.: Article IX, Sec. 1; R.S. 36:351; 30:1

Program Description

Mineral property rights are important to the economy of Louisiana. A system of regulations is required to ensure that the rights of all parties involved in the exploration and production of oil, gas, and other natural resources can be respected. To this end, this program pursues its mission of regulating the exploration and production of oil, gas, and other natural resources under the guidance of, and in support of, the Commissioner of Conservation. This effort requires extensive geological and engineering study of requests for new wells, unitization requests and other activities related to mineral exploration and production, as well as the maintenance of a depository of records. The mission of this program is to protect the correlative rights of all parties involved in the exploration and production of oil, gas, and other natural resources while minimizing the waste of these resources and of capital investments to acquire them. The goal of this program is to serve the citizens of Louisiana by managing and preserving recurring and non-recurring natural resources in the state. The one activity of this program is Oil and Gas Regulatory.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2000-2001	ACT 12 2001-2002	EXISTING 2001-2002	CONTINUATION 2002-2003	RECOMMENDED 2002-2003	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$243,107	\$653,513	\$653,513	\$2,758,142	\$1,396,335	\$742,822
STATE GENERAL FUND BY:						
Interagency Transfers	1,281,082	2,458,000	2,458,000	2,435,496	2,458,000	0
Fees & Self-gen. Revenues	0	20,000	20,000	20,000	20,000	0
Statutory Dedications	5,963,242	6,883,470	7,302,638	6,103,391	7,334,398	31,760
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	5,611	0	0
TOTAL MEANS OF FINANCING	\$7,487,431	\$10,014,983	\$10,434,151	\$11,322,640	\$11,208,733	\$774,582
EXPENDITURES & REQUEST:						
Salaries	\$4,387,727	\$4,685,970	\$4,765,100	\$4,943,448	\$4,699,660	(\$65,440)
Other Compensation	164,576	27,456	27,456	27,456	27,456	0
Related Benefits	1,032,567	1,114,652	1,164,882	1,639,861	1,381,691	216,809
Total Operating Expenses	712,696	882,633	882,633	902,392	884,744	2,111
Professional Services	0	0	65,000	65,000	565,000	500,000
Total Other Charges	1,144,548	3,045,017	3,045,017	3,509,675	3,425,374	380,357
Total Acq. & Major Repairs	45,317	259,255	484,063	234,808	224,808	(259,255)
TOTAL EXPENDITURES AND REQUEST	\$7,487,431	\$10,014,983	\$10,434,151	\$11,322,640	\$11,208,733	\$774,582
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	131	131	131	132	131	0
Unclassified	1	1	1	1	1	0
TOTAL	132	132	132	133	132	0

SOURCE OF FUNDING

This program is funded with State General Funds, Interagency Transfers, Fees and Self-generated Revenues, and Statutory Dedications. Statutory Dedications are from the the Oil and Gas Regulatory Fund, (Per R.S. 30:21B.(2)(a)), and the Deficit Elimination Fund, based on Act 1182 of 2001 which provides funds to eliminate any deficit that occurs in the Office of Group Benefits from operations in Fiscal Year 2001-2002. (Per R.S. 39:36B.(8)). The table below lists Statutory Dedications expended from each fund.

	ACTUAL	ACT 12	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED
	2000-2001	2001-2002	2001-2002	2002-2003	2002-2003	OVER/(UNDER)
						EXISTING
Oil and Gas Regulatory Fund	\$5,963,242	\$6,883,470	\$7,302,638	\$6,103,391	\$7,183,149	(\$119,489)
Underwater Obstruction Removal Fund	\$0	\$0	\$0	\$0	\$0	\$0
Deficit Elimination Fund	\$0	\$0	\$0	\$0	\$151,249	\$151,249

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$653,513	\$10,014,983	132	ACT 12 FISCAL YEAR 2002-2003
			BA-7 TRANSACTIONS:
\$0	\$419,168	0	BA-7 #159 - Statutory Dedications to fully fund salaries (\$79,130) and Related Benefits (\$50,230), increase Professional Services (\$65,000), and purchase equipment (\$224,808).
\$653,513	\$10,434,151	132	EXISTING OPERATING BUDGET - December 20, 2001
\$0	\$76,984	0	Annualization of FY 2001-2002 Classified State Employees Merit Increase
\$0	\$81,006	0	Classified State Employees Merit Increases for FY 2002-2003
(\$20,105)	\$2,111	0	Risk Management Adjustment
\$0	(\$259,255)	0	Non-Recurring Acquisitions & Major Repairs
\$444,932	\$444,932	0	Rent in State-Owned Buildings
(\$197,609)	(\$197,609)	0	Attrition Adjustment
(\$24,836)	(\$24,836)	0	Salary Funding from Other Line Items
\$0	\$151,249	0	Group Insurance Adjustment
\$610,465	\$0	0	Other Adjustments - Adjust funding per legislative agreement to fund mandated activities: \$538,000 for Ground Water, \$545,103 for Exploration & Production Waste Program, \$896,335 for rent, and \$500,000 for a Compliance Database for a total of \$2,479,438 in general fund for the Office of Conservation
(\$570,025)		0	Means Of Financing Substitutions - Funds from General Fund to Statutory Dedications
\$500,000	\$500,000	0	New and Expanded Adjustments - Compliance Data Base (OIT Recommended)
\$1,396,335	\$11,208,733	132	TOTAL RECOMMENDED
\$0	(\$823,395)	(4)	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$1,396,335	\$10,385,338	128	BASE EXECUTIVE BUDGET FISCAL YEAR 2002-2003

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$823,395	4	Contingent upon passage of legislation increasing fees deposited into the Oil and Gas Regulatory Fund for regulating the exploration and production of oil and gas in Louisiana. This proposed revenue increase will fund four (4) positions, travel & related operating expenses, professional services, other charges for GIS site license, and acquisitions for use by field agents in timely transmitting data
\$0	\$823,395	4	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$1,396,335	\$11,208,733	132	GRAND TOTAL RECOMMENDED

PROFESSIONAL SERVICES

\$500,000	Compliance Data Base
\$65,000	Lyric Archiving and/or Louisiana Secretary of State - Microfilming of Oil and Gas Records
\$565,000	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$17,435	GIS Site License - Environmental Systems Research Institute, Inc. (ESRI)
\$2,000,000	Governor's Oil Spill Coordinator - Abatement of unauthorized discharges where Commissioner certifies that viable responsible party cannot be located (including site specific direct expenses of the office)
\$20,000	Insurance Recovery
\$40,000	Microfilming of records
\$2,077,435	SUB-TOTAL OTHER CHARGES
	Interagency Transfers:
\$1,067,601	Rent - LaSalle Building
\$121,364	Rent - Lafayette
\$37,666	Building Maintenance - Monroe and Shreveport
\$119,808	Office of the Secretary - Indirect Costs - Data Processing, Legal, Civil Service
\$1,500	Division of Administration - Publish in State Register
\$1,347,939	SUB-TOTAL INTERAGENCY TRANSFERS
\$3,425,374	TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$156,253	Computer Upgrades
\$9,865	HP DesignJet Printer/Plotter
\$10,000	Microfilm Reader/Printer
\$14,890	GIS Equipment
\$7,800	26 Multi-Function Fax/Printer/Scanners for Field Inspectors
\$26,000	26 Digital Cameras for Field Inspectors
\$224,808	TOTAL ACQUISITIONS AND MAJOR REPAIRS